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FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5645
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHGG/UN SECURITY COUNCIL COLLECTIVE
RUEHBY/AMEMBASSY CANBERRA 0137
RUEHKA/AMEMBASSY DHAKA 4455
RUEHNE/AMEMBASSY NEW DELHI 3714
RUEHUL/AMEMBASSY SEOUL 7235
RUEHKO/AMEMBASSY TOKYO 4813
RUEHCI/AMCONSUL CALCUTTA 1035
RUEHCN/AMCONSUL CHENGDU 1034
RUDKIA/AMCONSUL CHIANG MAI 0820
RHHMUNA/CDR USPACOM HONOLULU HI
RUEKJCS/JOINT STAFF WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEHBS/USEU BRUSSELS
RUEHGV/USMISSION GENEVA 3022
RUCNDT/USMISSION USUN NEW YORK 0673

C O N F I D E N T I A L RANGOON 000089

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STATE FOR EAP/MLS; PACOM FOR FPA

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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [BM](#)

SUBJECT: REGIME STRONGARMS BURMESE SUGARCANE FARMERS

Classified By: Poloff Dean Tidwell for Reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: Authorities from Aunglan Township, Magway Division, ordered local sugarcane farmers to sell their crops to government sugar mills at less than one-third the market price. When farmers opted to sell their cane to local cottage industries that produce brown sugar using traditional boilers, local authorities and armed soldiers sealed the local processing centers and threatened the farmers. Activists are helping the farmers to write a complaint to regime leader Than Shwe, and the farmers are prepared to fight their case in court. END SUMMARY.

¶2. (U) Local civil authorities accompanied by seven soldiers visited Let Pa Kan village, Aunglan Township, Magway Division, on January 21 evening after local farmers refused to sell their sugarcane to government-owned sugar mills, choosing instead to sell it to local cottage producers of brown sugar. The government ordered the farmers to sell their cane to Government Sugar Factory No. 5 and 6 at the rate of \$7 (9,000 kyat) per ton, while local brown sugar producers had offered the farmers \$23 (30,000 kyat) per ton. The frightened farmers and brown sugar producers immediately went into hiding.

¶3. (SBU) On January 23, Major Khun Myint Naing, manager of a local regime-owned sugar mill, accompanied by Township Peace and Development Committee (PDC) Chairman Myint Wai, Ward PDC Chairman Than Htun, and several armed soldiers returned to Let Pa Kan village and sealed the local brown sugar production units. The authorities scolded the villagers for producing only 6,000 tons of cane last year vice the government target of 10,000 tons for the village. One old Let Pa Kan resident said the authorities' actions were reminiscent of raids by "fascist Japanese soldiers" on their village during World War II.

¶4. (C) According to a villager who spoke by telephone to a Pol/Econ FSN, last year the government forced the cane farmers to sell half of their crop at an artificially low

rate. The farmer said the government rate was not sufficient to cover their costs.

¶5. (SBU) According to the source, the SPDC exempts sugarcane from government controls and farmers may sell it on the open market. He said the farmers grow their crops legally and pay all required taxes. However, rather than face hunger by agreeing to the local authorities' demands, the farmers decided this year to sell their cane crop at market rates. The villagers reported that Township PDC Chairman Myint Wai told them he was following orders from the Division level and that he was not afraid of media reports about his actions. Human rights activists are helping the villagers to prepare a legal case against the authorities, and are gathering local farmers' signatures to petition Senior General Than Shwe.

¶6. (C) COMMENT: This latest case follows other recent media reports about the military forcing farmers in Bago Division, Rakhine State, and Shan State to sell their rice crops at half the market price. Burmese farmers have grown tired of pressure to sell their crops to the government and military at unreasonably low prices and many are starting to stand up for their own rights. The government's heavy-handed intervention to support state-owned industries only serves to distort the market and create further shortages. END COMMENT.
STOLTZ